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***Proposed Conflicts Counsel for the
Official Committee of Unsecured
Creditors of Senior Care Centers, LLC, et al.***

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF TEXAS
DALLAS DIVISION

In re:	§	Chapter 11
Senior Care Centers, LLC, et al.,	§	Case No. 18-33967 (BJH)
Debtors,	§	(Jointly Administered)
	§	
Official Committee of Unsecured Creditors Of Senior Care Centers, LLC, et al.	§	Adversary No. _____
Plaintiff,	§	
vs.	§	
CIBC Bank USA, as Administrative Agent for itself and for CIT Finance LLC, MB Financial Bank, N.A., Bankers Trust Company, Wells Fargo Bank, N.A., and Compass Bank.	§	
Defendant.	§	

PLAINTIFF'S ORIGINAL COMPLAINT FOR DECLARATORY JUDGMENT

Plaintiff, Official Committee of Unsecured Creditors (the “**Committee**”) Of Senior Care Centers, LLC, *et al.*, (collectively the “**Debtors**”¹), by and through undersigned counsel, on behalf of and as the representative of the Debtor’s estate, based upon knowledge, information and belief, and the results of its investigation to date, allege as follows:

NATURE OF THE ACTION

1. This adversary proceeding seeks: (i) a declaratory judgment that the Administrative Agent (defined below), on behalf and for the benefit of the Lenders (defined below), does not have perfected liens on or security interests in certain Excluded Property (defined below) of the Debtors; (ii) a declaratory judgment that the Administrative Agent's liens on or security interests asserted in the Nicoya Equity (defined below) are unperfected; (iii) an order avoiding the Administrative Agent's unperfected liens on or security interests in certain property pursuant to sections 544, 550 and 551 of the Bankruptcy Code (defined below); and (iv) a declaratory judgment that, based on the equities of the case, the Administrative Agent does not hold any liens on or security interests in postpetition proceeds of any of the Administrative Agent's collateral.

JURISDICTION AND VENUE

2. This is a core proceeding over which this Court has jurisdiction pursuant to 28 U.S.C. §§ 1334(b) and (e), and 157(b)(2)(A), (K), (M) and (O) and the Order of Reference for the United States District Court for the Northern District of Texas.

3. This Court has personal jurisdiction over the Defendants pursuant to Bankruptcy Rule 7004.

4. Venue is proper in this Court pursuant to 28 U.S.C. §§ 1408 and 1409(a).

¹ A list of the Debtors in these jointly administered chapter 11 cases, along with the last four digits of each Debtors' federal tax identification number, is attached hereto as Exhibit 1.

5. This adversary proceeding is brought pursuant to Rules 7001(2) and (9) of the Federal Rules of Bankruptcy Procedure.

6. Contemporaneously with the filing of this adversary proceeding, the Committee has filed its Motion for Leave, Standing and Authority to Prosecute Claims on Behalf of the Debtors' Estates and for Related Relief [Doc. No. 658].

PARTIES

7. The Committee is an official committee of unsecured creditors appointed in the Debtors' chapter 11 case by the United States Trustee for the Northern District of Texas on December 14, 2018 under section 1102 of the Bankruptcy Code. The Committee consists of the following members: Shiftkey, LLC, Trident USA Health, Performance Food Group, Inc. Acadian Ambulance Service, Direct Supply, Inc., Healthcare Services Group, Inc., Joerns Healthcare, LLC and Medline Industries, Inc.

8. Defendant CIBC Bank USA, individually and as administrative agent ("CIBC") is an Illinois chartered financial organization having its principal place of business at 120 LaSalle Street, Chicago, Illinois 60603. CIBC may be served with process by delivering a copy of the Complaint and summons via first class mail, postage prepaid, to its Registered Agent Corporation Service Company, at 211 East 7th Street, Suite 620, Austin, TX 78701-3218.

9. Defendant CIT Finance LLC ("CIT") is a Delaware limited liability company having its principal place of business at One Cit Drive, Livingston, NJ 07039-5703. CIT may be served with process by delivering a copy of the Complaint and summons via first class mail postage prepaid, to its Registered Agent CT Corporation System, at 1999 Bryan Street, Suite 900, Dallas TX 75201.

10. Defendant Wells Fargo Bank, N.A., (“**Wells Fargo**”) is a California chartered financial institution having its principal place of business at 420 Montgomery Street, San Francisco, California 94104. Wells Fargo may be served with process by delivering a copy of the Complaint and summons via first class mail, postage prepaid, to its Registered Agent Corporation Service Company, at 211 East 7th Street, Suite 620, Austin TX 78701-3218.

11. Defendant MB Financial Bank, N.A., (“**MB Financial**”) is a financial institution having its principal place of business at 800 West Madison Street, Chicago, Illinois 60607. MB Financial may be served with process by delivering a copy of the Complaint and summons via first class mail, postage prepaid, to its President and Chief Executive Officer, Mark A. Hoppe, at 800 West Madison Street, Chicago, Illinois 60607 and 6611 N. River Rd., Rosemont, Illinois 60018.

12. Defendant Bankers Trust Company (“**Bankers Trust**”) is a financial institution having its principal place of business at 453 7th Street, Des Moines, Iowa 50309. Bankers Trust may be served with process by delivering a copy of the Complaint and summons via first class mail, postage prepaid, to its Registered Agent J. Michael Dege, 7th and Locust, Box 897, Des Moines, IA 50304.

13. Defendant Compass Bank (“**Compass**”) is an Alabama chartered financial institution having its principal place of business at 15 South 20th Street, Birmingham, Alabama 35233. Compass may be served with process by delivering a copy of the Complaint and summons via first class mail, postage prepaid, to its Registered Agent CT Corporation System, at 1999 Bryan Street, Suite 900, Dallas TX 75201.

PROCEDURAL BACKGROUND

14. On December 4, 2018 (the “**Petition Date**”), the Debtors filed petitions for relief under Chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq.* (the “**Bankruptcy**

Code") in the United States Bankruptcy Court for the Northern District of Texas, Dallas Division (the "Bankruptcy Court"), which cases are jointly administered under Case No. 18-33967 (BJH).

Cash Collateral

15. On December 5, 2018, the Debtor filed its *Motion for Entry of Interim and Final Orders (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protecting, (III) Modifying the Automatic Stay, (IV) Setting a Final Hearing, and (V) Granting Related Relief* [Doc. No. 24] (the "Cash Collateral Motion").

16. On December 7, 2018, the Court entered *Findings of Fact and Conclusions of Law Regarding the Interim Order (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection (III) Modifying the Automatic Stay, (IV) Setting a Final Hearing, and (V) Granting Related Relief* [Doc. 74] (the "Findings and Conclusions") and an *Interim Order (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection (III) Modifying the Automatic Stay, (IV) Setting a Final Hearing, and (V) Granting Related Relief* [Doc. 75] (the "First Interim Order").

17. On December 14, 2018, the Office of the United States Trustee appointed the Committee.

18. On January 24, 2019, the Court entered a *Second Interim Order (I) Authorizing the Use of Cash Collateral, (II) Granting Adequate Protection (III) Modifying the Automatic Stay, (IV) Setting a Final Hearing, and (V) Granting Related Relief* [Doc. 431] (the "Second Interim Order," and collectively with the First Interim Order, the "Cash Collateral Orders").

19. Pursuant to Paragraph 10 of the Second Interim Order, the Committee has sixty days from the date of its appointment (the "Challenge Deadline") to file an adversary proceeding or contested matter challenging the validity, enforceability, or priority of the Prepetition

Obligations or the liens on the Prepetition Collateral in respect thereof, or otherwise to assert any claims or causes of action against the Administrative Agent or the Lenders on behalf of the Debtors' estates (any such action, a "**Challenge Action**").

20. By agreement between the Administrative Agent and the Committee, the Challenge Deadline has been extended through and including March 12, 2019 [Doc No. 590].

The Purported Stipulations

21. The Cash Collateral Orders provide that, if no Challenge Action is filed by the Challenge Deadline, the "admissions and stipulations contained in Paragraphs C and D of the Findings of Fact and Conclusions of Law shall be binding . . . upon all other parties-in- interest, including, without limitation, the Committee and any Chapter 7 or Chapter 11 trustee that may be appointed or elected." (Second Interim Order ¶ 10).

22. Paragraphs C and D of the Findings and Conclusions provide as follows (collectively, the "**Purported Stipulations**"):

C. The Debtors stipulate and agree that they are obligated under the notes, agreements, instruments, and undertakings listed on Exhibit 2 hereto (collectively, the "Credit Facility Documents"). Any and all monetary and nonmonetary obligations of the Debtors under the Credit Facility Documents as of the Petition Date are referred to herein as the "Prepetition Obligations." The foregoing acknowledgments and stipulations shall be binding on the Debtors but not on any other party-in-interest in these cases, except as provided in Paragraph 9 of the Interim Order.

D. The Debtors further stipulate and agree as follows:

(1) As of the Petition Date, the Credit Facility Documents are each valid and enforceable against each of the Debtors that is a party thereto, and none of the Debtors possesses, and agrees not to assert, any claim (as such term is defined in Bankruptcy Code section 101(5), counterclaim, setoff, or defense of any kind, nature or description which would in any way affect the validity or enforceability of the Credit Facility Documents;

(2) As of the Petition Date, the Prepetition Obligations constitute legal, valid, and binding obligations of the Debtors, as applicable, enforceable in accordance with the terms of the Credit Facility Documents; no offsets, defenses or counterclaims to any of the Prepetition Obligations exist; no portion of the Prepetition Obligations is subject to recharacterization, disallowance, reduction or subordination pursuant to the Bankruptcy Code or non-bankruptcy law; the Prepetition Obligations constitute allowable secured claims; and the Debtors have irrevocably waived, discharged, and released any rights they may have to challenge or object to the Prepetition Obligations, and/or to challenge or object to the security for the Prepetition Obligations;

(3) The Administrative Agent's liens and security interests with respect to the Debtors' "Goods, Accounts (including Health-Care Insurance Receivables), Equipment, Inventory, contract rights or rights to payment of money (including any escrowed funds, escrow payments or indemnification payments owing to any of the Debtors pursuant to any escrow agreement, purchase agreement or acquisition agreement), leases, license agreements, franchise agreements, General Intangibles, Intellectual Property, commercial tort claims, documents, Instruments (including any promissory notes), Chattel Paper (whether tangible or electronic), cash, Deposit Accounts, Securities Accounts, Letter-of-Credit Rights (whether or not the letter of credit is evidenced by a writing), Securities, and all other Investment Property, Supporting Obligations, and Financial Assets; all of each Debtor's books and records relating to any of the foregoing; and all and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions, and improvements to and replacements, products, Proceeds and insurance proceeds of any or all of the foregoing (each as defined in the Credit Facility Documents), and every other item of collateral described in the Credit Facility Documents (collectively, all of the above types and descriptions of collateral are referred to herein as the "Prepetition Collateral") are valid, enforceable and perfected (by filing financing statements, and, where necessary, by possession of relevant accounts, cash, instruments, certificates or other property), and are not subject to recharacterization, disallowance, reduction or subordination pursuant to the Bankruptcy Code or non-bankruptcy law. All of such financing statements and relevant instruments were validly authorized by the Debtors and validly executed by authorized representatives of the Debtors. Pursuant to the Credit Facility Documents, the Administrative Agent has first priority security interests in and liens on all of the Prepetition Collateral, including the Cash Collateral (defined herein) and all proceeds of the Prepetition Collateral, to secure payment of the Prepetition Obligations;

(4) The Administrative Agent's security interests and liens have attached to all funds and property of the Debtors consisting of the Prepetition Collateral and the products and proceeds thereof, and the Administrative Agent's security interests and liens will, notwithstanding the commencement of these Chapter 11 Cases, as of the Petition Date and thereafter, attach to the products and other proceeds of the Prepetition Collateral. Without limiting the foregoing, the Administrative Agent's security interests and liens attach to all cash (whether as original collateral or cash proceeds of the Prepetition Collateral), negotiable instruments, documents of title, securities, deposit accounts, or other cash equivalents now or hereafter in the possession, custody or control of the Debtors (the "Cash Collateral").

(5) As of the Petition Date, the principal and interest portion of the Prepetition Obligations is not less than \$45,564,254.58, which includes two letters of credit that had been issued for the account of Senior Care Centers, LLC in the total amount of \$2,783,201.23.

The foregoing acknowledgments and stipulations shall be binding on the Debtors but not on any other party-in-interest in this case, except as provided in Paragraph 9 of the Interim Order.

(Findings and Conclusions ¶¶ C&D).

The Committee's Investigation

23. Following the entry of the Cash Collateral Orders, the Committee and its professionals commenced and investigation into, among other things, the validity, enforceability, priority and extent of the liens on and security interests in the Debtors' assets and potential claims and causes of actions against the Administrative Agent and the Lenders.

24. Notwithstanding the Purported Stipulations, there are substantial, valuable assets of the Debtors that are either not included in the Administrative Agent's Prepetition Collateral or are subject to unperfected liens that may be avoided.

FACTUAL ALLEGATIONS

25. CIBC Bank USA is the Administrative Agent (the "Administrative Agent") for itself and for the lender parties (collectively, the "Lenders") to the Loan Agreements (defined

below), with respect to (i) that certain Amended and Restated Credit and Security Agreement dated as of January 12, 2017, as amended (the “**Non-HUD Loan Agreement**”), (ii) that certain Credit and Security Agreement dated as of June 21, 2017, as amended (the “**HUD Loan Agreement**,” and collectively with the Non-HUD Loan Agreement, the “**Loan Agreements**”), (iii) all documents executed in connection with the Loan Agreements, and all properly executed amendments and modifications thereto, and (iv) two letters of credit issued by the Administrative Agent, identified as letters of credit numbers 13229-103424 and 13229-135711 (collectively, the “**Letters of Credit**”).

26. Certain of the Debtors and certain of their non-debtor affiliates are borrowers or guarantors under the Loan Agreements (collectively, the “**Credit Parties**”). A true and correct list of the Credit Parties is attached hereto as **Exhibit 2**, which reflects which Credit Parties are Debtors in this jointly-administered case (collectively, the “**Credit Party Debtors**”), and which of the Credit Parties are non-debtors (collectively, the **Non-Debtor Credit Parties**) in this case.

27. The Administrative Agent and the Lenders extended loans to the Credit Party Debtors pursuant to the Loan Agreements and the Letters of Credit, creating certain indebtedness (the “**Prepetition Obligations**”). In partial consideration therefor, the Credit Parties granted a security interest to the Administrative Agent in certain assets (the “**Prepetition Collateral**”).

28. Pursuant to the Non-HUD Loan Agreement, the Credit Parties thereto granted a security interest to the Administrative Agent as follows:

As security for the payment and performance of the Obligations in full when due or declared due in accordance with the terms of this Agreement and without limiting any other grant of a Lien and security interest in any Security Document, each Credit Party hereby assigns and grants to Agent, for the benefit of itself and Lenders and, solely to the extent securing any Bank Product Obligations to a Lender’s Affiliate, such Affiliate, a continuing Lien on and security interest in, upon, and to all of each Credit Party’s assets, including without limitation, all of each Credit

Party's right, title and interest in and to the following, whether now owned or hereafter created, acquired or arising, and wherever located: all Goods, Accounts (including Health-Care Insurance Receivables), Equipment, Inventory, contract rights or rights to payment of money (including any escrowed funds, escrow payments or indemnification payments owing to any Credit Party pursuant to any escrow agreement, purchase agreement or acquisition agreement), leases, license agreements, franchise agreements, General Intangibles, Intellectual Property, commercial tort claims, documents, Instruments (including any promissory notes), Chattel Paper (whether tangible or electronic), cash, Deposit Accounts, Securities Accounts, Fixtures, Letter-of-Credit Rights (whether or not the letter of credit is evidenced by a writing), Securities, and all other Investment Property, Supporting Obligations, and Financial Assets; all of each Credit Party's books and records relating to any of the foregoing; and any and all claims, rights and interests in any of the above and all substitutions for, additions, attachments, accessories, accessions and improvements to and replacements, products, Proceeds and insurance proceeds of any or all of the foregoing. Notwithstanding anything to the contrary contained herein, the security interests granted under this Agreement shall not extend to (a) any property that is the subject of a Lien securing purchase money Debt or Capital Lease Obligations permitted hereunder pursuant to documents that prohibit such Credit Party from granting any other Liens in such property, (b) any lease or license of a Credit Party if the grant of a security interest in such lease or license in the manner contemplated by this Agreement is prohibited by the terms of such lease or license or by applicable Law, or requires the consent of any Person other than a Credit Party that has not been obtained, and would result in the termination of such lease or license or give the other parties thereto the right to terminate, accelerate or otherwise adversely alter such Credit Party's rights, title and interest thereunder (including upon the giving of notice or the lapse of time or both), (c) any "intent to use" trademark applications for which a statement of use has not been filed (but only until such statement is filed); and (d) any Deposit Account that is subject to the "anti- assignment rule" described in Section 10.6(b); provided that (i) any such limitation described in the foregoing clauses (a) and (b) on the security interests granted hereunder shall only apply to the extent that any such prohibition could not be rendered ineffective pursuant to the UCC or any other applicable Law (including the Bankruptcy Code and Sections 9-406, 9-407 and 9-408 of the UCC) or principles of equity, (ii) in the event of the termination or elimination of any such prohibition or the requirement for any consent contained in such contract, lease or license or in any applicable Law, to the extent sufficient to permit any such item to become Collateral hereunder, or upon the granting of any such consent, or waiving or terminating any requirement for such consent, a security interest in such contract, lease or license shall be automatically and simultaneously granted hereunder and shall be included as Collateral hereunder, and (iii) all rights to payment of money due or to become due pursuant to, and all rights to the Proceeds from the sale of, any such excluded property shall be and at all times remain subject to the security interests created by this Agreement.

Notwithstanding anything to the contrary contained in this Agreement or any other Financing Document, the Collateral shall not include any Excluded Collateral.

(Non-HUD Loan Agreement § 9.1).²

Errors in the Purported Stipulations

29. Following a diligent investigation based on documents produced by the Administrative Agent, the Committee has concluded that the Purported Stipulations are erroneous for a variety of reasons, including without limitation the following:

- a. They state that all of the Debtors are obligated to the Administrative Agent and the Lenders, and that the Administrative Agent holds a security interest in the assets of all of the Debtors, when in fact only some of the Debtors were parties to the Loan Agreements, and only some of the Debtors granted a security interest to the Administrative Agent;
- b. They state that all of the Debtors are obligated under all of the “Credit Facility Documents,” when in fact only some of the Debtors were parties to the Credit Facility Documents and some of the Debtors are parties to some agreements but not others;
- c. The language in paragraph D(3) is far too broad, overstating the scope of the Administrative Agent’s collateral package and failing to acknowledge numerous exceptions thereto;
- d. The Administrative Agent’s security interests in many types of collateral were not perfected by virtue of the Administrative Agent having filed a UCC-1 financing statement;
- e. With respect to particular assets of certain Debtors, the Administrative Agent failed to file a UCC-1 financing statement in the proper jurisdiction;
- f. They fail to acknowledge that the Court may determine that the Administrative Agent’s security interests do not attach to post-petition proceeds pursuant to section 552(b) of the Bankruptcy Code; and
- g. The amount of the Prepetition Obligations indicated in paragraph D(5) is incorrect.

² The granting language in the HUD Loan Agreement is nearly identical, except that (1) the term “Credit Party” is replaced with the term “Borrower” and (2) fixtures are not included.

30. Certain of the Debtors are not parties to the Loan Agreements and did not grant any security interest to the Administrative Agent (collectively, the “**Excluded Debtors**”). Accordingly, the Administrative Agent and the Lenders have no security interests in any of the assets of the Excluded Debtors, and the Excluded Debtors have no obligations to the Administrative Agent or the Lenders. The Excluded Debtors include, without limitation, the following:

1. Gamble Hospice Care Central LLC;
2. Gamble Hospice Care Northeast LLC;
3. Gamble Hospice Care Northwest LLC;
4. Gamble Hospice Care of Cenla LLC;
5. Harden HUD Holdco LLC;
6. Harden Pharmacy LLC;
7. PM Management – Killeen I NC LLC;
8. PM Management – Killeen II NC LLC;
9. PM Management – Killeen III NC LLC;
10. PM Management – New Braunfels NC LLC;
11. PM Management – Park Valley NC LLC;
12. PM Management – Portfolio IX NC, LLC;
13. PM Management – Portfolio VIII NC, LLC;
14. San Antonio SCC LLC;
15. SCC Hospice Holdco LLC;
16. Senior Care Center Management II LLC; and
17. Senior Rehab Solutions North Louisiana LLC.

31. The Administrative Agent filed a number of UCC-1 financing statements and had control over certain Deposit Accounts, thereby perfecting its security interests with respect to certain of the Prepetition Collateral. All such relevant UCC-1 financing statements contained an identical description of the Administrative Agent’s purported collateral: “All of the Debtor’s assets

and other personal property, whether now owned or existing or hereafter acquired or arising, together with all proceeds and products thereof, substitutions and replacements therefor, and additions and accessions thereto.”

32. As of the Petition Date, the Administrative Agent and the Lenders do not hold any perfected security interest in any of the following property of any of the Debtors, because either (i) the Administrative Agent’s security interests did not attach to such assets, or (2) filing of a UCC-1 financing statement did not operate to perfect such security interests:³

- a. Any real property interests, including all leasehold rights;
- b. Any fixtures;
- c. Any vehicles;
- d. Any cash;
- e. Any copyrights;
- f. Any commercial tort claims;
- g. Any key person life insurance policies;
- h. Any Securities Accounts;
- i. Any Letter of Credit Rights;
- j. Any insurance proceeds that do not constitute proceeds of the Prepetition Collateral, unless the Administrative Agent is named as a loss payee on the applicable insurance policy;
- k. Any certificates of deposit, to the extent that such assets constitute Deposit Accounts (as defined in Article 9 of the Uniform Commercial Code) maintained at any financial institution other than the Administrative Agent;
- l. Any prepayment, deposit, restricted cash advance, or escrow account, to the extent that such assets constitute Deposit Accounts (as defined in Article 9 of the Uniform Commercial Code) maintained with an institution other than the Administrative Agent or to the extent that any escrow or other agreement or applicable law prevents the Administrative Agent’s lien from attaching to such assets, including without limitation the \$7.6 million indemnification escrow account held at Wells Fargo;
- m. Any unused net operating losses;
- n. All items excluded pursuant to the Loan Agreements, including without limitation the Excluded Collateral (as defined in the Loan Agreements) and those items that

³ All capitalized terms not defined herein shall have the meanings ascribed to them in the Loan Agreements.

are specifically identified in Section 9.1 of the Loan Agreements as not subject to the security interests granted to the Administrative Agent, including without limitation the following:

1. Any property that is the subject of a Lien securing purchase money Debt or Capital Lease Obligations permitted under the Loan Agreements pursuant to documents that prohibit such Borrower from granting any other Liens in such property;
2. Any lease or license of a Borrower if the grant of a security interest in such lease or license in the manner contemplated by the Loan Agreements is prohibited by the terms of such lease or license or by applicable Law, or requires the consent of any Person other than a Borrower that has not been obtained, and would result in the termination of such lease or license or give the other parties thereto the right to terminate, accelerate or otherwise adversely alter such Borrower's rights, title and interest thereunder (including upon the giving of notice or the lapse of time or both);
3. Any "intent to use" trademark applications for which a statement of use has not been filed (but only until such statement is filed);
4. Any Deposit Account that is subject to the "anti-assignment rule" described in Section 10.6(b) of the Loan Agreements;
5. Any Excluded Collateral (as defined in the Loan Agreements), including without limitation the following:
 - a. Any equity interest in any of the following entities:
 1. Alief SCC LLC
 2. Bandera SCC LLC
 3. Baytown SCC LLC
 4. Booker SCC LLC
 5. Bossier SCC LLC
 6. Bradford SCC LLC
 7. Capitol SCC LLC
 8. Cedar Bayou SCC LLC
 9. Colonial SCC LLC
 10. CTLTC Real Estate, LLC,
 11. Harden Non-HUD Holdco, LLC
 12. HILL COUNTRY SCC LLC
 13. JACKSONVILLE SCC LLC
 14. La Hacienda SCC LLC

15. MIDLAND SCC LLC
16. Mill Forest Road SCC LLC
17. Mystic Park SCC LLC
18. Normandie SCC LLC
19. Pasadena SCC LLC
20. PECAN TREE SCC LLC
21. PM Management – Corsicana NC III, LLC,
22. PM Management – El Paso I NC, LLC,
23. PM Management – Golden Triangle NC I, LLC,
24. PM Management – Golden Triangle NC II, LLC,
25. PM Management – Golden Triangle NC IV, LLC,
26. PM Management – Portfolio V NC, LLC,
27. PM Management – Portfolio VII NC, LLC,
28. PM Management – San Antonio AL, LLC
29. PM Management – Corsicana NC II, LLC,
30. PM Management – Golden Triangle NC III, LLC,
31. PM Management – San Antonio NC, LLC,
32. PM Management – Corpus Christi NC II, LLC,
33. PM Management – Corpus Christi NC III, LLC,
34. PM Management – Portland NC, LLC,
35. Presidential SCC LLC
36. Riverside SCC LLC
37. Ruston SCC LLC
38. SAN ANGELO SCC LLC
39. Senior Care Centers, LLC,
40. Shreveport SCC LLC
41. South Oaks SCC LLC
42. Springlake ALF SCC LLC
43. Springlake SCC LLC
44. West Oaks SCC LLC
45. Windmill SCC LLC

or any other person or entity that directly or indirectly, controls any of the foregoing; and

- b. Any licenses, permits and other governmental authorizations now owned or hereafter acquired by any Restricted Subsidiary with respect to any Project operated by a Restricted Subsidiary that are necessary (or are, in the ordinary course of business, customarily obtained by a Restricted Subsidiary) for the operation of any Project operated by a Restricted Subsidiary, including, without limitation, any certificates of need (or similar certificate) and/or bed rights, and any and all third party provider agreements (including Medicare and Medicaid) for any Project operated by a Restricted Subsidiary;
- o. Any avoidance actions under chapter 5 of the Bankruptcy Code that may be pursued by the Debtors as debtors-in-possession or any trustee of their bankruptcy estates; and
- p. any of the Credit Party Debtors' assets or properties:
 - a. in which the Administrative Agent's security interest therein may be perfected only by the Administrative Agent's obtaining "control" (as defined in Sections 9-104, 9-105, 9-106, and 9-107 of the UCC), unless the Administrative Agent had such control as of the Petition Date;
 - b. which are subject to a statute, regulation, or treaty of the United States whose requirements for a security interest's obtaining priority over the rights of a lien creditor with respect such assets and properties preempt Section 9-310(a) of the UCC, unless the Administrative Agent was in compliance with such requirements as contemplated in Section 9-311(b) of the UCC as of the Petition Date;
 - c. in which a security interest may be perfected only under a certificate-of-title or similar statute, unless the Administrative Agent had undertaken such actions as are necessary under such statute to have obtained a perfected security interests in such assets or properties as of the Petition Date;
 - d. which are the subject of any exclusion described in Section 9-109(c) of the UCC or as to which any lien or security interest is the subject of any exclusion set forth in such section, unless the Administrative Agent had undertaken such actions as are necessary under applicable law for the Administrative Agent to have obtained a perfected or superior interest in such assets or properties as of the Petition Date; or
 - e. which constitute proceeds of any Prepetition Collateral, unless the Administrative Agent's security interest in such proceeds was perfected as of the Petition Date (as provided in Section 9-315 of the UCC).

The property and/or assets identified in subsections a-p are collectively referred to as the **“Excluded Property.”**

33. The Administrative Agent and the Lenders did not file certain UCC-1 financing statements in the proper jurisdictions and therefore do not hold any perfected lien or security interest in any equity interests in Nicoya Health & Lifestyle Management, LLC or rights related thereto (the **“Nicoya Equity”**).

34. As of the Petition Date, the total amount of the Prepetition Obligations was \$45,384,661.50, which includes two letters of credit that had been issued for the account of Senior Care Centers, LLC in the total amount of \$2,783,201.12.

CLAIMS FOR RELIEF

COUNT I **DECLARATORY JUDGMENT CONCERNING** **ASSETS OF THE EXCLUDED DEBTORS**

35. The Committee repeats and realleges each of the preceding paragraphs as if fully set forth herein.

36. The Excluded Debtors are not parties to the Loan Agreements and did not grant any security interest to the Administrative Agent.

37. The Administrative Agent and the Lenders have no security interests in any of the assets of the Excluded Debtors, and the Excluded Debtors have no obligations to the Administrative Agent or the Lenders.

38. The Committee disputes the Purported Stipulations as they relate to the assets of the Excluded Debtors.

39. Accordingly, an actual, substantial and justiciable controversy exists between the Committee, the Administrative Agent and the Lenders concerning whether the Purported Stipulations are correct and supportable and whether the Administrative Agent and the Lenders have valid or perfected liens on or security interests in the assets of the Excluded Debtors.

40. Such a controversy is sufficient to warrant the issuance of a declaratory judgment that, notwithstanding the Debtors' Purported Stipulations to the contrary, the Administrative Agent and the Lenders do not have a lien on or a security interest in the assets of the Excluded Debtors.

COUNT II
DECLARATORY JUDGMENT
CONCERNING THE EXCLUDED PROPERTY

41. The Committee repeats and realleges each of the preceding paragraphs as if fully set forth herein.

42. As set forth above in paragraph 32 above, certain of the liens, security interests and claims purportedly granted to the Administrative Agent and the Lenders are not attached, valid, binding, enforceable, non-avoidable, or properly perfected.

43. Contrary to the over-inclusive Purported Stipulations, the Administrative Agent's security interests did not attach to certain Excluded Property.

44. The Administrative Agent failed to properly perfect its purported liens on and security interests in certain Excluded Property because it did not take the appropriate actions to perfect against such property.

45. The Purported Stipulations are inaccurate as to the validity, binding effect, enforceability, non-avoidability, and proper perfection of the liens and security interests in the Excluded Property.

46. Accordingly, an actual, substantial and justiciable controversy exists between the Committee, the Administrative Agent and the Lenders concerning whether the Purported Stipulations are correct and supportable and whether the Administrative Agent and the Lenders have valid or perfected liens on or security interests in the Excluded Property.

47. Such a controversy is sufficient to warrant the issuance of a declaratory judgment that, notwithstanding the Purported Stipulations to the contrary, the Administrative Agent and the Lenders do not have a perfected lien on or a security interest in the Excluded Property.

COUNT III
DECLARATORY JUDGMENT CONCERNING
NICOYA HEALTH & LIFESTYLE MANAGEMENT, LLC

48. The Committee repeats and realleges each of the preceding paragraphs as if fully set forth herein.

49. As set forth above in paragraph 33 above, certain of the liens, security interests and claims purportedly granted to the Administrative Agent and the Lenders are not valid, binding, enforceable, non-avoidable, or properly perfected.

50. The Administrative Agent and the Lenders did not file certain UCC-1 financing statements in the proper jurisdictions and therefore do not hold any perfected lien or security interest in any equity interests in the Nicoya Equity.

51. The Purported Stipulations are inaccurate as to the validity, binding effect, enforceability, non-avoidability, and proper perfection of the liens and security interests in the Nicoya Equity.

52. Accordingly, an actual, substantial and justiciable controversy exists between the Committee, the Administrative Agent and the Lenders concerning whether the Purported

Stipulations are correct and supportable and whether the Administrative Agent and the Lenders have valid or perfected liens on or security interests in the Nicoya Equity.

53. Such a controversy is sufficient to warrant the issuance of a declaratory judgment that, notwithstanding the Debtors' Purported Stipulations to the contrary, the Administrative Agent and the Lenders do not have a lien on or a security interest in the Nicoya Equity.

COUNT IV
**DECLARATORY JUDGMENT CONCERNING THE ATTACHMENT
OF THE LIEN TO PROCEEDS, PRODUCTS, AND OFFSPRING
OR PROFITS PURSUANT TO 11 U.S.C. § 552(B)(1)**

54. The Committee repeats and realleges each of the preceding paragraphs as if fully set forth herein.

55. The Debtors' use of unencumbered funds to produce post-petition proceeds has resulted in a windfall to the Administrative Agent and the Lenders in the form or either an increase in, or preservation of, the value of the collateral.

56. Pursuant to section 552(b) of the Bankruptcy Code and based on the equities of the case, the Administrative Agent and the Lenders are not entitled to a security interest in any proceeds, products, offspring, or profits of the collateral subsequent to the Petition Date.

57. Accordingly, the Committee is entitled to a judgment declaring that the Administrative Agents and the Lenders' liens and security interests do not extend to post-petition proceeds, products, offspring, or profits of the collateral.

COUNT V
**AVOIDANCE OF UNPERFECTED LIENS WITH RESPECT TO PROPERTY
(11 U.S.C § 544, 550 AND 551)**

58. The Committee repeats and realleges each of the preceding paragraphs as if fully set forth herein.

59. To extent that the Administrative Agents and the Lenders purported liens on and security interests in the property identified in paragraphs 32-33 above attached to the Debtors' property, such liens and security interests should be avoided because they were unperfected.

60. The Administrative Agent and the Lenders failed to properly perfect their purported liens on and security interests in certain of the Excluded Property because they did not file a UCC-1 financing statement that sufficiently describes their claims, they did not file any UCC-1 financing statements in the appropriate offices or other take actions to perfect against such Debtors' property that may be perfected by other means.

61. Pursuant to sections 544(a)(1) and (2) of the Bankruptcy Code, the Debtors, the bankruptcy estate and the Committee (acting on behalf of the estates) have the rights and powers (as of the commencement of these chapter 11 cases and without regard to any knowledge of the Debtors, any trustee, or any other creditors), or may avoid any transfer of property of the Debtors or any obligation incurred by the Debtors that is voidable by:

a creditor that extends credit to the debtor at the time of the commencement of the case, and that obtains, at such time and with respect to such credit, a judicial lien on all property on which a creditor on a simple contract could have obtained such a judicial lien, whether or not such a creditor exists; or

a creditor that extends credit to the debtor at the time of the commencement of the case, and obtains, at such time and with respect to such credit, an execution against the debtor that is returned unsatisfied at such time, whether or not such a creditor exists . . .

11 U.S.C. § 544(a).

62. Any security interests or liens of the Administrative Agent and the Lenders in the property or assets identified in paragraphs 32-33, as of the Petition Date are unperfected for the reasons explained above and are avoidable pursuant to sections 544(a)(1) and (2) of the Bankruptcy Code.

63. Because the Administrative Agent and the Lenders do not have properly perfected liens on or security interests in the property or assets identified in paragraphs 32-33, any and all liens on and security interests in such property asserted by the Administrative Agent and the Lenders should be avoided pursuant to section 544(a) of the Bankruptcy Code, and such property of the value of such property, if previously transferred, should be recovered by the Debtors' estate pursuant to section 550(a) of the Bankruptcy Code and/or automatically preserved for the benefit of the Debtors' estates pursuant to section 551 of the Bankruptcy Code.

COUNT VI
DECLARATORY JUDGMENT CONCERNING
THE TOTAL AMOUNT OF THE PREPETITION OBLIGATIONS

64. The Committee repeats and realleges each of the preceding paragraphs as if fully set forth herein.

65. According to the Purported Stipulations, as of the Petition Date, the principal and interest portion of the Prepetition Obligations is not less than \$45,564,254.58, which includes two letters of credit that had been issued for the account of Senior Care Centers, LLC in the total amount of \$2,783,201.23.

66. According to records reviewed by the Committee, the total amount of the Prepetition Obligations was \$45,384,661.50, which includes two letters of credit that had been issued for the account of Senior Care Centers, LLC in the total amount of \$2,783,201.12.

67. The Committee disputes the Purported Stipulations as they relate to the Prepetition Obligations.

68. Accordingly, an actual, substantial and justiciable controversy exists between the Committee and the Administrative Agent concerning whether the Purported Stipulations are correct and supportable as to the Prepetition Obligation.

69. Such a controversy is sufficient to warrant the issuance of a declaratory judgment that, notwithstanding the Debtors' Purported Stipulations to the contrary, that the total amount of the Prepetition Obligations was \$45,384,661.50, which includes two letters of credit that had been issued for the account of Senior Care Centers, LLC in the total amount of \$2,783,201.12.

PRAYER FOR RELIEF

WHEREFORE, based on the foregoing, the Committee requests that the Court enter a final judgment:

- (1) declaring that the Administrative Agent and the Lenders do not have a lien on or a security interest in the assets of the Excluded Debtors;
- (2) declaring that the Administrative Agent and the Lenders do not have a perfected lien on or a security interest in the Excluded Property;
- (3) declaring that the Administrative Agent and the Lenders do not have a perfected lien on or a security interest in Nicoya Health & Lifestyle Management, LLC or rights related thereto;
- (4) declaring that the Administrative Agents and the Lenders' liens and security interests do not extend to post-petition proceeds, products, offspring, or profits of the collateral.
- (5) avoiding the Administrative Agents unperfected liens on or security interests in the Property pursuant to 11 U.S.C. § 544, and transferring to the Debtors' estates pursuant to 11 U.S.C. § 550(a) and/or automatically preserving the avoided liens thereon or the security interests therein or the value of such transfers for the benefit of the Debtors' estates pursuant to 11 U.S.C. § 551;
- (6) declaring that the total amount of the Prepetition Obligations was \$45,384,661.50, which includes two letters of credit that had been issued for the account of Senior Care Centers, LLC in the total amount of \$2,783,201.12.
- (7) granting the Committee such other and further relief as the Court deems just, proper and equitable, including the costs and expenses of this action.

DATED: March 12, 2019.

Respectfully submitted,

RIZZO B.E., PLLC

By: 

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832-259-9054

**PROPOSED CONFLICTS COUNSEL FOR
THE COMMITTEE**

Exhibit 1**Debtors**

#	Debtor Name	Case No.	EIN
1.	Alief SCC LLC	18-33987	0523
2.	Bandera SCC LLC	18-33989	0617
3.	Baytown SCC LLC	18-33992	0778
4.	Beltline SCC LLC	18-33996	7264
5.	Booker SCC LLC	18-33999	0967
6.	Bossier SCC LLC	18-34003	2017
7.	Bradford SCC LLC	18-34004	9535
8.	Brinker SCC LLC	18-34005	7304
9.	Brownwood SCC LLC	18-33968	0677
10.	Capitol SCC LLC	18-34006	1750
11.	CapWest-Texas LLC	18-34008	4897
12.	Cedar Bayou SCC LLC	18-34010	8889
13.	Clear Brook SCC LLC	18-34012	1877
14.	Colonial SCC LLC	18-34014	4385
15.	Community SCC LLC	18-33969	7951
16.	Corpus Christi SCC LLC	18-34016	9807
17.	Crestwood SCC LLC	18-34017	7349
18.	Crowley SCC LLC	18-33970	6697
19.	CTLTC Real Estate, LLC	18-34018	0202
20.	Fairpark SCC LLC	18-34020	7381
21.	Gamble Hospice Care Central LLC	18-34022	6688
22.	Gamble Hospice Care Northeast LLC	18-34025	6661
23.	Gamble Hospice Care Northwest LLC	18-34027	2044
24.	Gamble Hospice Care of Cenla LLC	18-34029	4510
25.	Green Oaks SCC LLC	18-33971	7218
26.	Harbor Lakes SCC LLC	18-33972	7299
27.	Harden HUD Holdco LLC	18-34032	1502
28.	Harden Non-HUD Holdco LLC	18-34035	3391
29.	Harden Pharmacy LLC	18-34036	1995
30.	Hearthstone SCC LLC	18-34037	9154
31.	Hewitt SCC LLC	18-33973	7237
32.	HG SCC LLC	18-34040	7415
33.	Hill Country SCC LLC	18-34043	4199
34.	Holland SCC LLC	18-33974	1427
35.	Hunters Pond SCC LLC	18-34045	2886
36.	Jacksonville SCC LLC	18-34046	4216
37.	La Hacienda SCC LLC	18-34049	1074
38.	Lakepointe SCC LLC	18-34050	7457
39.	Major Timbers LLC	18-34052	7477
40.	Marlandwood East SCC LLC	18-34054	1871

#	Debtor Name	Case No.	EIN
41.	Marlandwood West SCC LLC	18-34058	2192
42.	Meadow Creek SCC LLC	18-34064	9278
43.	Midland SCC LLC	18-34065	4231
44.	Mill Forest Road SCC LLC	18-34066	5137
45.	Mission SCC LLC	18-33975	8086
46.	Mullican SCC LLC	18-34067	7499
47.	Mystic Park SCC LLC	18-34068	1898
48.	Normandie SCC LLC	18-34069	1542
49.	Onion Creek SCC LLC	18-34070	7425
50.	Park Bend SCC LLC	18-34071	9410
51.	Pasadena SCC LLC	18-34072	1694
52.	Pecan Tree SCC LLC	18-34073	4241
53.	Pecan Valley SCC LLC	18-34074	9585
54.	Pleasantmanor SCC LLC	18-34075	7536
55.	PM Management - Allen NC LLC	18-34076	4961
56.	PM Management - Babcock NC LLC	18-34077	7829
57.	PM Management - Cedar Park NC LLC	18-34078	1050
58.	PM Management - Corpus Christi NC II LLC	18-34079	5231
59.	PM Management - Corpus Christi NC III LLC	18-34080	5129
60.	PM Management - Corsicana NC II LLC	18-34081	9281
61.	PM Management - Corsicana NC III LLC	18-34082	9353
62.	PM Management - Corsicana NC LLC	18-34083	1333
63.	PM Management - Denison NC LLC	18-34084	5022
64.	PM Management - El Paso I NC LLC	18-34085	2965
65.	PM Management - Fredericksburg NC LLC	18-34086	0599
66.	PM Management - Frisco NC LLC	18-34087	5082
67.	PM Management - Garland NC LLC	18-33979	5137
68.	PM Management - Golden Triangle NC I LLC	18-33980	9478
69.	PM Management - Golden Triangle NC II LLC	18-33981	9536
70.	PM Management - Golden Triangle NC III LLC	18-33982	9597
71.	PM Management - Golden Triangle NC IV LLC	18-33983	9654
72.	PM Management - Killeen I NC LLC	18-33984	3105
73.	PM Management - Killeen II NC LLC	18-33985	3179
74.	PM Management - Killeen III NC LLC	18-33986	3245
75.	PM Management - Lewisville NC LLC	18-33988	5296
76.	PM Management - New Braunfels NC LLC	18-33990	6293
77.	PM Management - Park Valley NC LLC	18-33991	7186
78.	PM Management - Pflugerville AL LLC	18-33993	4007
79.	PM Management - Portland AL LLC	18-33994	5018
80.	PM Management - Portland NC LLC	18-33995	4928
81.	PM Management - Round Rock AL LLC	18-33997	5304
82.	PM Management - San Antonio NC LLC	18-33998	1216

83.	Presidential SCC LLC	18-34000	1913
84.	Redoak SCC LLC	18-33976	7569

#	Debtor Name	Case No.	EIN
85.	Riverside SCC LLC	18-34001	1889
86.	Round Rock SCC LLC	18-34002	8936
87.	Rowlett SCC LLC	18-34007	7606
88.	Ruston SCC LLC	18-34009	0242
89.	RW SCC LLC	18-34011	7631
90.	Sagebrook SCC LLC	18-34013	9571
91.	San Angelo SCC LLC	18-34015	4254
92.	SCC Edinburg LLC	18-34019	1195
93.	SCC Hospice Holdco LLC	18-34021	3166
94.	SCC Senior Care Investments LLC	18-34023	4123
95.	SCC Socorro LLC	18-34024	5459
96.	Senior Care Center Management II LLC	18-34026	1280
97.	Senior Care Center Management LLC	18-34028	7811
98.	Senior Care Centers Home Health, LLC	18-34030	1931
99.	Senior Care Centers LLC	18-33967	8550
100.	Senior Rehab Solutions LLC	18-34031	4829
101.	Senior Rehab Solutions North Louisiana LLC	18-34033	1690
102.	Shreveport SCC LLC	18-34034	1659
103.	Solutions 2 Wellness LLC	18-34038	4065
104.	South Oaks SCC LLC	18-34039	8002
105.	Springlake ALF SCC LLC	18-34041	2436
106.	Springlake SCC LLC	18-34042	9102
107.	Stallings Court SCC LLC	18-33977	7393
108.	Stonebridge SCC LLC	18-34044	9234
109.	Stonegate SCC LLC	18-33978	3005
110.	Summer Regency SCC LLC	18-34047	7782
111.	TRISUN Healthcare LLC	18-34048	2497
112.	Valley Grande SCC LLC	18-34051	1341
113.	Vintage SCC LLC	18-34053	7710
114.	West Oaks SCC LLC	18-34055	9535
115.	Western Hills SCC LLC	18-34056	1922
116.	Weston Inn SCC LLC	18-34057	7871
117.	Westover Hills SCC LLC	18-34059	3303
118.	Whitesboro SCC LLC	18-34060	7745
119.	Windcrest SCC LLC	18-34061	9541
120.	Windmill SCC LLC	18-34062	8067
121.	Wurzbach SCC LLC	18-34063	9920
122.	PM Management-Portfolio V NC, LLC	19-30249	0086
123.	PM Management-Portfolio VI NC, LLC	19-30250	5354
124.	PM Management-Portfolio VII NC, LLC	19-30251	9728
125.	PM Management-Portfolio VIII NC, LLC	19-30252	3048

126.	PM Management-Portfolio IX NC, LLC	19-30253	1841
127.	PM Management - San Antonio AL LLC	19-30254	4609
128.	San Antonio SCC, LLC	19-30261	4923

Exhibit 2**Credit Parties**

	Entity Name	Credit Party Status	Debtor/ Non-Debtor
1	Alief SCC LLC	Non-HUD Borrower	Debtor
2	Bandera SCC LLC	Non-HUD Borrower	Debtor
3	Baytown SCC LLC	Non-HUD Borrower	Debtor
4	Beltline SCC LLC	HUD Borrower	Debtor
5	Booker SCC LLC	Non-HUD Borrower	Debtor
6	Bossier SCC LLC	Non-HUD Borrower	Debtor
7	Bradford SCC LLC	Non-HUD Borrower	Debtor
8	Brinker SCC LLC	HUD Borrower	Debtor
9	Brownwood SCC LLC	Non-HUD Borrower	Debtor
10	Canopy Medical Staffing LLC	Non-HUD Borrower	Non-Debtor
11	Capitol SCC LLC	Non-HUD Borrower	Debtor
12	CapWest-Texas LLC	Non-HUD Borrower	Debtor
13	Cedar Bayou SCC LLC	Non-HUD Borrower	Debtor
14	Clear Brook SCC LLC	Non-HUD Borrower	Debtor
15	Colonial SCC LLC	Non-HUD Borrower	Debtor
16	Community SCC LLC	Non-HUD Borrower	Debtor
17	Corpus Christi SCC LLC	HUD Borrower	Debtor
18	Crestwood SCC LLC	HUD Borrower	Debtor
19	Crowley SCC LLC	Non-HUD Borrower	Debtor
20	CTLTC Real Estate, LLC (formerly CTLTC Merger I, LLC)	Non-HUD Borrower	Debtor
21	Fairpark SCC LLC	HUD Borrower	Debtor
22	Green Oaks SCC LLC	Non-HUD Borrower	Debtor
23	Harbor Lakes SCC LLC	Non-HUD Borrower	Debtor
24	Harden Non-HUD Holdco LLC	Non-HUD Borrower, HUD Pledgor	Debtor
25	Hearthstone SCC LLC	HUD Borrower	Debtor
26	Hewitt SCC LLC	Non-HUD Borrower	Debtor
27	HG SCC LLC	HUD Borrower	Debtor
28	HHC Portland AL, LP	Non-HUD Borrower	Non-Debtor
29	Hill Country SCC LLC	Non-HUD Borrower	Debtor
30	Holland Lake SCC LLC	Non-HUD Borrower	Debtor
31	Hunters Pond SCC LLC	Non-HUD Borrower	Debtor
32	Jacksonville SCC LLC	Non-HUD Borrower	Debtor
33	La Hacienda SCC LLC	Non-HUD Borrower	Debtor

	Entity Name	Credit Party Status	Debtor/ Non-Debtor
34	Lakepointe SCC LLC	HUD Borrower	Debtor
35	Major Timbers LLC	Non-HUD Borrower	Debtor
36	Marlandwood East SCC LLC	Non-HUD Borrower	Debtor
37	Marlandwood West SCC LLC	HUD Borrower	Debtor
38	Meadow Creek SCC LLC	Non-HUD Borrower	Debtor
39	Midland SCC LLC	Non-HUD Borrower	Debtor
40	Mill Forest Road SCC LLC	Non-HUD Borrower	Debtor
41	Mission SCC LLC	Non-HUD Borrower	Debtor
42	Mullican SCC LLC	HUD Borrower	Debtor
43	Mystic Park SCC LLC	Non-HUD Borrower	Debtor
44	Normandie SCC LLC	Non-HUD Borrower	Debtor
45	Onion Creek SCC LLC	Non-HUD Borrower	Debtor
46	Park Bend SCC LLC	HUD Borrower	Debtor
47	Pasadena SCC LLC	Non-HUD Borrower	Debtor
48	Pecan Tree SCC LLC	Non-HUD Borrower	Debtor
49	Pecan Valley SCC LLC	Non-HUD Borrower	Debtor
50	Pleasantmanor SCC LLC	HUD Borrower	Debtor
51	PM Management – Allen NC LLC	HUD Borrower	Debtor
52	PM Management – Babcock NC LLC	Non-HUD Borrower	Debtor
53	PM Management – Cedar Park NC LLC	Non-HUD Borrower	Debtor
54	PM Management – Corpus Christi NC II LLC	Non-HUD Borrower	Debtor
55	PM Management – Corpus Christi NC III LLC	Non-HUD Borrower	Debtor
56	PM Management – Corsicana NC II LLC	Non-HUD Borrower	Debtor
57	PM Management – Corsicana NC III LLC	Non-HUD Borrower	Debtor
58	PM Management – Corsicana NC LLC	Non-HUD Borrower	Debtor
59	PM Management – Denison NC LLC	HUD Borrower	Debtor
60	PM Management – El Paso I NC LLC	Non-HUD Borrower	Debtor
61	PM Management – Fredericksburg NC LLC	HUD Borrower	Debtor
62	PM Management – Frisco NC LLC	HUD Borrower	Debtor
63	PM Management – Garland AL, LLC	Non-HUD Borrower	Non-Debtor
64	PM Management – Garland NC LLC	HUD Borrower	Debtor
65	PM Management – Georgetown AL, LLC	Non-HUD Borrower	Non-Debtor

	Entity Name	Credit Party Status	Debtor/ Non-Debtor
66	PM Management – Georgetown NC, LLC	Non-HUD Borrower	Non-Debtor
67	PM Management – Golden Triangle NC I LLC	Non-HUD Borrower	Debtor
68	PM Management – Golden Triangle NC II LLC	Non-HUD Borrower	Debtor
69	PM Management – Golden Triangle NC III LLC	Non-HUD Borrower	Debtor
70	PM Management – Golden Triangle NC IV LLC	Non-HUD Borrower	Debtor
71	PM Management – Lewisville NC LLC	HUD Borrower	Debtor
72	PM Management – Pflugerville AL LLC	Non-HUD Borrower	Debtor
73	PM Management – Portfolio V NC, LLC	Non-HUD Borrower	Debtor
74	PM Management – Portfolio VI NC, LLC	HUD Borrower	Debtor
75	PM Management – Portfolio VII NC, LLC	Non-HUD Borrower	Debtor
76	PM Management – Portland AL LLC	Non-HUD Borrower	Debtor
77	PM Management – Portland NC LLC	Non-HUD Borrower	Debtor
78	PM Management – Round Rock AL LLC	Non-HUD Borrower	Debtor
79	PM Management – San Antonio AL, LLC	Non-HUD Borrower	Debtor
80	PM Management – San Antonio NC LLC	Non-HUD Borrower	Debtor
81	PM Management – Sinton NC, LLC	Non-HUD Borrower	Non-Debtor
82	Presidential SCC LLC	Non-HUD Borrower	Debtor
83	Redoak SCC LLC	Non-HUD Borrower	Debtor
84	Riverside SCC LLC	Non-HUD Borrower	Debtor
85	Round Rock SCC LLC	HUD Borrower	Debtor
86	Rowlett SCC LLC	Non-HUD Borrower	Debtor
87	Ruston SCC LLC	Non-HUD Borrower	Debtor
88	RW SCC LLC	HUD Borrower	Debtor
89	Sagebrook SCC LLC	HUD Borrower	Debtor
90	San Angelo SCC LLC	Non-HUD Borrower	Debtor
91	SCC Edinburg LLC	Non-HUD Borrower	Debtor
92	SCC Senior Care Investments LLC	Non-HUD Borrower	Debtor

	Entity Name	Credit Party Status	Debtor/ Non-Debtor
93	SCC Socorro LLC	Non-HUD Borrower	Debtor
94	Senior Care Center Management LLC	Non-HUD Borrower	Debtor
95	Senior Care Centers Home Health, LLC	Non-HUD Borrower	Debtor
96	Senior Care Centers LLC	Non-HUD Guarantor; Non-HUD Pledgor; HUD Guarantor; HUD Pledgors	Debtor
97	Senior Rehab Solutions LLC	Non-HUD Borrower	Debtor
98	Shreveport SCC LLC	Non-HUD Borrower	Debtor
99	Solutions 2 Wellness LLC	Non-HUD Borrower	Debtor
100	South Oaks SCC LLC	Non-HUD Borrower	Debtor
101	Springlake ALF SCC LLC	Non-HUD Borrower	Debtor
102	Springlake SCC LLC	Non-HUD Borrower	Debtor
103	Stallings Court SCC LLC	Non-HUD Borrower	Debtor
104	Stonebridge SCC LLC	HUD Borrower	Debtor
105	Stonegate SCC LLC	Non-HUD Borrower	Debtor
106	Summer Regency SCC LLC	HUD Borrower	Debtor
107	TRISUN Healthcare LLC	Non-HUD Borrower	Debtor
108	Valley Grande SCC LLC	Non-HUD Borrower	Debtor
109	Vintage SCC LLC	HUD Borrower	Debtor
110	West Oaks SCC LLC	Non-HUD Borrower	Debtor
111	Western Hills SCC LLC	Non-HUD Borrower	Debtor
112	Weston Inn SCC LLC	Non-HUD Borrower	Debtor
113	Westover Hills SCC LLC	Non-HUD Borrower	Debtor
114	Whitesboro SCC LLC	HUD Borrower	Debtor
115	Windcrest SCC LLC	HUD Borrower	Debtor
116	Windmill SCC LLC	Non-HUD Borrower	Debtor
117	Wurzbach SCC LLC	HUD Borrower	Debtor